

INITIATIVE 691

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 691 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to reducing and eliminating the motor vehicle
2 excise tax; amending RCW 82.44.020; adding new sections to chapter
3 82.44 RCW; creating a new section; repealing RCW 82.44.020, 82.44.023,
4 and 82.44.025; and providing effective dates.

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON

6 NEW SECTION. **Sec. 1.** The people of the state of Washington
7 declare that the motor vehicle excise tax should be cut in half in 1999
8 and eliminated in 2000. This act will eliminate the annual excise tax
9 for motor vehicles, including passenger cars, trucks, and motorcycles.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.44 RCW
11 to read as follows:

12 The legislature and the governor are hereby directed to:

13 (1) Use current and future budget surpluses to replace the tax
14 revenue eliminated by this act;

15 (2) Prioritize all government activities that historically were
16 funded by the motor vehicle excise tax;

17 (3) Implement cost-saving strategies to continue these activities
18 more efficiently;

(4) Reduce or eliminate those activities the legislature and the governor deem to be of low priority; and

(5) Use other existing revenues to fund those activities the legislature and the governor deem to be of high priority.

NEW SECTION. **Sec. 3.** A new section is added to chapter 82.44 RCW to read as follows:

It is contrary to the wishes of the people if the legislature and the governor replace the tax cut in this act with an increase in taxes or fees in other areas of the budget

Sec. 4. RCW 82.44.020 and 1993 sp.s. c 23 s 61 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using in the state any motor vehicle, except those operated under reciprocal agreements, the provisions of RCW 46.16.160 as now or hereafter amended, or dealer's licenses. The annual amount of such excise tax shall be (~~((two))~~) one percent of the value of such vehicle.

(2) An additional excise tax is imposed, in addition to any other tax imposed by this section, for the privilege of using in the state any such motor vehicle, and the annual amount of such additional excise shall be (~~((two-tenths))~~) one-tenth of one percent of the value of such vehicle.

(3) Effective with October 1992 motor vehicle registration expirations, a clean air excise tax is imposed in addition to any other tax imposed by this section for the privilege of using in the state any motor vehicle as defined in RCW 82.44.010, except that farm vehicles as defined in RCW 46.04.181 shall not be subject to the tax imposed by this subsection. The annual amount of the additional excise tax shall be (~~((two dollars and twenty-five cents. Effective with July 1994 motor vehicle registration expirations, the annual amount of additional excise tax shall be two))~~) one dollar(~~((s))~~).

(4) An additional excise tax is imposed on truck-type power units that are used in combination with a trailer to transport loads in excess of forty thousand pounds combined gross weight. The annual amount of such additional excise tax shall be (~~((fifty-eight))~~) twenty-nine one-hundredths of one percent of the value of the vehicle. The department shall distribute the additional tax collected under this subsection as follows:

1 (a) For each trailing unit subject to subsection (5) of this
2 section, an amount equal to the clean air excise tax prescribed in
3 subsection (3) of this section shall be distributed in the manner
4 prescribed in RCW 82.44.110(3);

5 (b) Of the remainder of the additional excise tax collected under
6 this subsection, ten percent shall be distributed in the manner
7 prescribed in RCW 82.44.110(2) and ninety percent shall be distributed
8 in the manner prescribed in RCW 82.44.110(1). This tax shall not apply
9 to power units used exclusively for hauling logs.

10 (5) The excise taxes imposed by subsections (1) through (3) of this
11 section shall not apply to trailing units which are used in combination
12 with a power unit subject to the additional excise tax imposed by
13 subsection (4) of this section. This subsection shall not apply to
14 trailing units used for hauling logs.

15 (6) In no case shall the total tax be less than ((two)) one
16 dollar((s)) except for proportionally registered vehicles.

17 (7) Washington residents, as defined in RCW 46.16.028, who license
18 motor vehicles in another state or foreign country and avoid Washington
19 motor vehicle excise taxes are liable for such unpaid excise taxes.
20 The department of revenue may assess and collect the unpaid excise
21 taxes under chapter 82.32 RCW, including the penalties and interest
22 provided therein.

23 NEW SECTION. Sec. 5. The following acts or parts of acts are each
24 repealed:

25 (1) RCW 82.44.020 and 1999 c . . . s 4 (section 4 of this act),
26 1993 sp.s. c 23 s 61, 1993 c 123 s 2, 1991 c 199 s 220, 1990 c 42 s
27 302, & 1988 c 191 s 1;

28 (2) RCW 82.44.023 and 1994 c 227 s 3 & 1992 c 194 s 8; and

29 (3) RCW 82.44.025 and 1996 c 139 s 3.

30 NEW SECTION. Sec. 6. (1) Sections 1 through 4 of this act take
31 effect January 1, 1999.

32 (2) Section 5 of this act takes effect January 1, 2000.

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